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Michael Reeves

How Effective Is Our Financial Communication?

Communication requires thinking. The absence of thinking often results in adverse consequences!

Thoughtful church leaders—*before* they communicate—ask one another, “What is the desired outcome of financial communication in our church?”

Surely, no one intends to communicate in ways that discourage and demotivate people in their financial giving. Yet, isn’t that often what happens? Surely, no one wants to create a culture of oppression and negativity about the church’s finances. Yet, isn’t that often what happens?

The following questions help church leaders to think more clearly and communicate more effectively about money.

1. What do we believe about the connection between faith and money? Do we believe that a disciple’s relationship with money is a spiritual issue? If so, from which of the following perspectives do we frame most of our financial communication?

◆ Do we discuss money at times other than when we ask for annual, capital, or mission offerings? In other words, is the Christian’s relationship with money ever a sermon, lesson, or group study—apart from the church’s need for funds?

◆ Or, do we frame all of our financial communication from a fund-raising perspective that focuses on the church’s need to “make the budget” and pay the bills?

What happens when we only communicate about money during times such as the summer slump in giving or a “what the church needs” perspective? We (a) create an environment of “financial triage” and (b) communicate that our church’s primary mission is to “balance the budget” rather than to accomplish ministries.

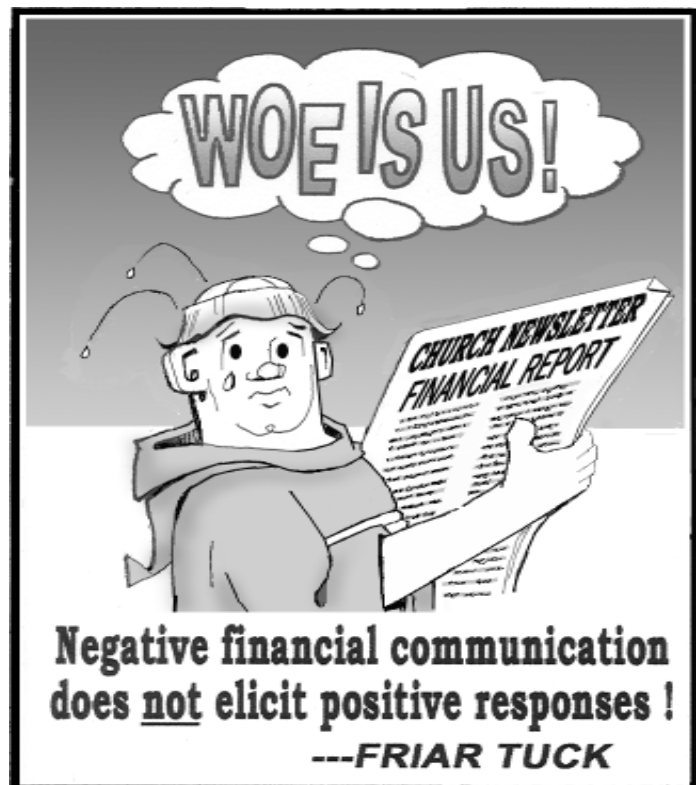
Used exclusively, that type of financial communication diverts attention away from spiritual topics such as God’s provision for our needs, growth in spiritual maturity through selfless giving, and what our church’s ministries accomplish.

2. Do we continuously educate people regarding the spiritual connection between faith and money? For instance, does our church believe that tithing is the expected standard of giving for the individual believer? If so, do we frequently define the word *tithe* in clear terms?

For many, the word *tithe* simply means whatever amount they decide to give. Others believe that tithing means giving a tenth of our income before taxes. Still others believe that tithing is an Old Testament concept that has no meaning for today’s Christians. Small wonder, then, that tithing is a rare and minority experience in most mainline churches.

Effective financial communication requires continuous education of the pastoral staff, financial leaders, and the church as a whole in a biblical understanding of the connection between faith and money.

3. Do we understand that generations differ in how they think about money? For example, the viewpoint of most people born prior to 1946 was formed by the Great Depression and World War II. Many such parishioners cling to a *theology of scarcity* that tells them (a) “money for discretionary spending is quite limited” and (b) “our church lives on a fixed income that it cannot increase by improving its stewardship education methods.”



For many such people, their unconscious goal is guarding money rather than giving it generously or spending it to accomplish ministries. Since these older adults have served in their leadership roles for many years, such sentiments greatly influence what most churches think about money.

Research indicates that the average household in main-line congregations gives between 1 percent and 4 percent of its adjusted gross income to the church. The irony here: *this generation is also very loyal to the church as an institution.*

When people espouse both a theology of scarcity and loyalty to their church, their financial communication tends toward the less effective end of the scale.

4. Do we recognize that false assumptions can block financial communication? For instance, when a finance committee or a governing board desires to “let the people know how we are doing,” they often operate from the unstated and false assumption that *negative* communication will elicit a *positive* response in giving from members of the congregation.

This often happens through the following computation and reporting process: When financial leaders divide the church budget into equal weekly or monthly amounts—identified as the “weekly need” or “monthly need”—they disregard the reality of historical giving patterns.

But no congregation can *accurately* compare the weeks and months of this year to the same calendar weeks and months of the previous year—due to secular holidays that create long weekends, snow storms, hurricanes, five-Sunday months, special-day programs that create high-attendance, Easter and Christmas Sunday, and football games.

In most churches, the first and second quarter is less than 25 percent of total giving for the year; the third quarter is lower due to summer; and the last quarter is higher. With those historical facts in hand, we cannot truthfully say that our church should receive an equal amount of money every week or month throughout the year.

Functionally, such a flaw in thinking means that, for three-fourths of the year, the church reports that “we are behind budget.” Publishing such a falsehood is not just ethically wrong: negative communication does NOT elicit positive response!

A more accurate report compares each quarter of this year with the same quarter of last year. Or, obtain quarterly giving data from the treasurer’s reports for each of the last five years. Compute the *average* percentage of the total year’s giving for each of the four quarters. What percentage of this year’s total annual budget was given during this quarter? How does this year’s percentage in this quarter compare with the five-year average for this quarter?

5. Do we use relevant definitions regarding financial giving? Doing financial analysis by household is more accurate than by individual member or giving unit.

Household is the unit of analysis used by the U.S. Census, the Internal Revenue Service, and most economic reports. A household may include one or more wage earners, but each household represents one economic unit. So a church’s financial report that shows “per capita” giving has little relevance, since it includes children who give small amounts, youth who give from part-time jobs, and non-wage-earning family members.

6. Do we use the best ways to report church finances? Many congregations communicate in written format, and some churches supplement that written material with electronic communication. But the BIG question is, “What is the most effective way to distribute information in our particular church?” Should we send financial reports to every member or just to donors? Good arguments can be made for both options. But a universally accurate principle says, “*Do NOT try to communicate church finances with a ‘line item’ budget or a financial statement!*”

Most people feel positive about a quarterly report that shows (a) giving information compared with the same quarter of last year, (b) general expense information for the quarter compared to the same quarter of last year, and (c) a story or two about ministry provided during that quarter.

For annual reports, a narrative budget that focuses on ministry by category (with some financial information) is better understood than a line-item report that prints last year’s budget and expenses alongside increases and decreases for this year (without explanations of the ministry issues involved).

The best verbal communication: a ministry story by a participant in, or a recipient of, that ministry powerfully communicates the connection between our faith and our money!

7. Do we target our verbal and written communication at the comprehension level of the average 8th grader? Few people are CPAs. Thus, too much information, the use of abstract illustrations or metaphors, and assumptions that are no longer relevant, blur communication. Such efforts may be quite sincere, *but sincerity does not automatically create clear communication.*

The BIG question: Do we want to (a) communicate a positive connection between faith and money, or (b) remind people of our church’s recurring cycles of poverty?

The difference has everything to do with how effectively we communicate!

Yes, how we think determines whether our financial communication is adverse or motivational.